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PRESSRELEASE

InTiCa Systems AG publishes Annual Report 2018

Confirmation of preliminary figures

Stronger positioning as a technology provider in the field of e-solutions and e-mobility

Sales increase and positive result planned for FY 2019

Passau, April 25, 2019 – InTiCa Systems AG (Prime Standard, ISIN DE0005874846, ticker IS7) today published the annual report and confirmed the provisional figures for fiscal 2018. Delayed start-up of two important projects, higher than unexpected material and personnel costs and more difficult market conditions held back performance in the reporting period. In addition, the company made enormous upfront investment for the new e-mobility sector in the form of production facilities for the upcoming start of serial production. This mainly affected the Automotive Technology segment. By contrast, the Industrial Electronics segment developed well thanks to high demand for inverters and the introduction of EMC filters. But there was also good news in the Automotive Technology segment. Antenna production in Mexico was validated successfully, construction of the third production line was completed as planned, and sales from hybrid and e-mobility products have already increased to 20% of total sales from the automotive sector.

„Between 2008 and 2014, InTiCa had to shift its main focus from the telecommunications sector to automotive technology. Now, we are undergoing a shift within automotive technology to a substantial provider of technology for e-solutions and e-mobility. To reinforce our position in a market that is exposed to rising competitive and margin pressure, it is essential to invest constantly both in new products such as filters, NFC antennas and performance components for storage solutions, and in the efficiency of our processes. In addition to removing expensive, low-margin small-scale series from our product portfolio, we see further scope for optimization of our organization and internal workflows“, comments Dr. Gregor Wasle, CEO of InTiCa Systems AG the business development.

Earnings, asset and financial position

Group sales declined 4.3% year-on-year to EUR 47.9 million in 2018 (2017: EUR 50.1 million). The Automotive Technology segment's share of total sales was 77.2%

(2017: 76.2%). The gross profit was EUR 21.8 million in the reporting period (2017: EUR 22.1 million) and the gross profit margin improved from 44.1% to 45.5%. EBITDA (earnings before interest, taxes, depreciation and amortization) dropped substantially year-on-year to EUR 3.4 million (2017: EUR 5.8 million). The EBITDA margin was 7.0% (2017: 11.6%). EBIT (earnings before interest and taxes) was clearly negative at minus EUR 0.9 million in 2018 (2017: EUR 1.5 million). The pre-tax loss was EUR 1.4 million in the reporting period (2017: pre-tax profit of EUR 1.0 million). Taking into account deferred taxes, there was tax income was EUR 80 thousand (2017: tax expense of EUR 311 thousand), so a net loss of EUR 1.3 million was recorded (2017: net profit of EUR 0.7 million).

The operating cash flow was positive but overall there was a cash outflow of EUR 4.2 million as a result of high capital expenditures. At the same time, the equity ratio decreased from 42% to 33% due to increased borrowing.

Outlook

„The decisive factor in 2019 will be whether the weakness in the automotive industry is merely a temporary production impairment, with output rebounding quickly, at best with knock-on effects, or whether it turns out to be a general downturn in the automotive cycle. Leading indicators such as corporate confidence, export expectations and order intake suggest it will be somewhere between the two: volume forecasts are basically still pointing upwards, but have clouded somewhat. We notice a similar effect at InTiCa. Although orders on hand at the end of the first quarter of 2019 were considerably higher than a year ago, we are noticing some uncertainty among our customers and therefore expect some stagnation in the conventional automotive market. Positive impetus is coming from the move by German premium manufacturers into e-mobility. Even a small international rise in e-mobility offers enormous opportunities for InTiCa“, comments Günther Kneidinger, Member of the Management Board, the development in the automotive technology segment.

In the industrial electronics segment, building on the positive global trend for energy generation from alternative sources, products for the photovoltaic industry such as inductive components and mechatronic assemblies will remain important for InTiCa in 2019. In addition, EMC technology for e-mobility (charging infrastructure and vehicles) is gaining in significance. In this field, the boundaries between Industrial Electronics and Automotive Technology are becoming increasingly blurred.

At present, the Board of Directors assumes that, given a stable economic environment and taking into account the particular challenges of 2019, Group sales will rise to around EUR 54.0 million to EUR 58.0 million in 2019, while the EBIT margin will be between 1.5% and 2.0%. The material cost ratio should be optimized further in both segments and the equity ratio should remain stable.

The positive development in the first three months of 2019 confirms this view and lifted Group sales by more than 3% year-on-year to EUR 13.6 million (Q1 2018: EUR 13.2 million). EBITDA is expected to come in at around EUR 1.5 million in the first quarter of 2019, while EBIT should be around EUR 0.3 million.

The complete annual report 2018 is available for download from the Investor Relations section of InTiCa Systems' website at www.intica-systems.com.

InTiCa Systems AG

The Board of Directors

About InTiCa Systems:

InTiCa Systems is a European leader in the development, manufacture and commercialization of inductive components, passive analogue switching technology and mechatronic assemblies. It operates in the Automotive Technology and Industrial Technology segments and has more than 700 employees at its sites in Passau (Germany), Prachatice (Czech Republic) and Silao (Mexico).

The Automotive Technology segment focuses on innovative products that raise the comfort and safety of cars, improve the performance of electric and hybrid vehicles and reduce carbon emissions. InTiCa Systems' Industrial Electronics segment develops and manufactures mechatronic assemblies for the solar industry and other industrial applications.

Forward-looking statements and predictions

This press release contains statements and forecasts referring to the future development of InTiCa Systems AG which are based on current assumptions and estimates by the management that are made using information currently available to them. If the underlying assumptions do not materialize, the actual figures may differ substantially from such estimates. Future developments and results are in fact dependent on a large number of factors; they contain different risks and imponderables and are based on assumptions that may not be accurate. We neither intend nor assume any obligation to update forward-looking statements on an ongoing basis as these are based exclusively on the circumstances prevailing on the date of publication.